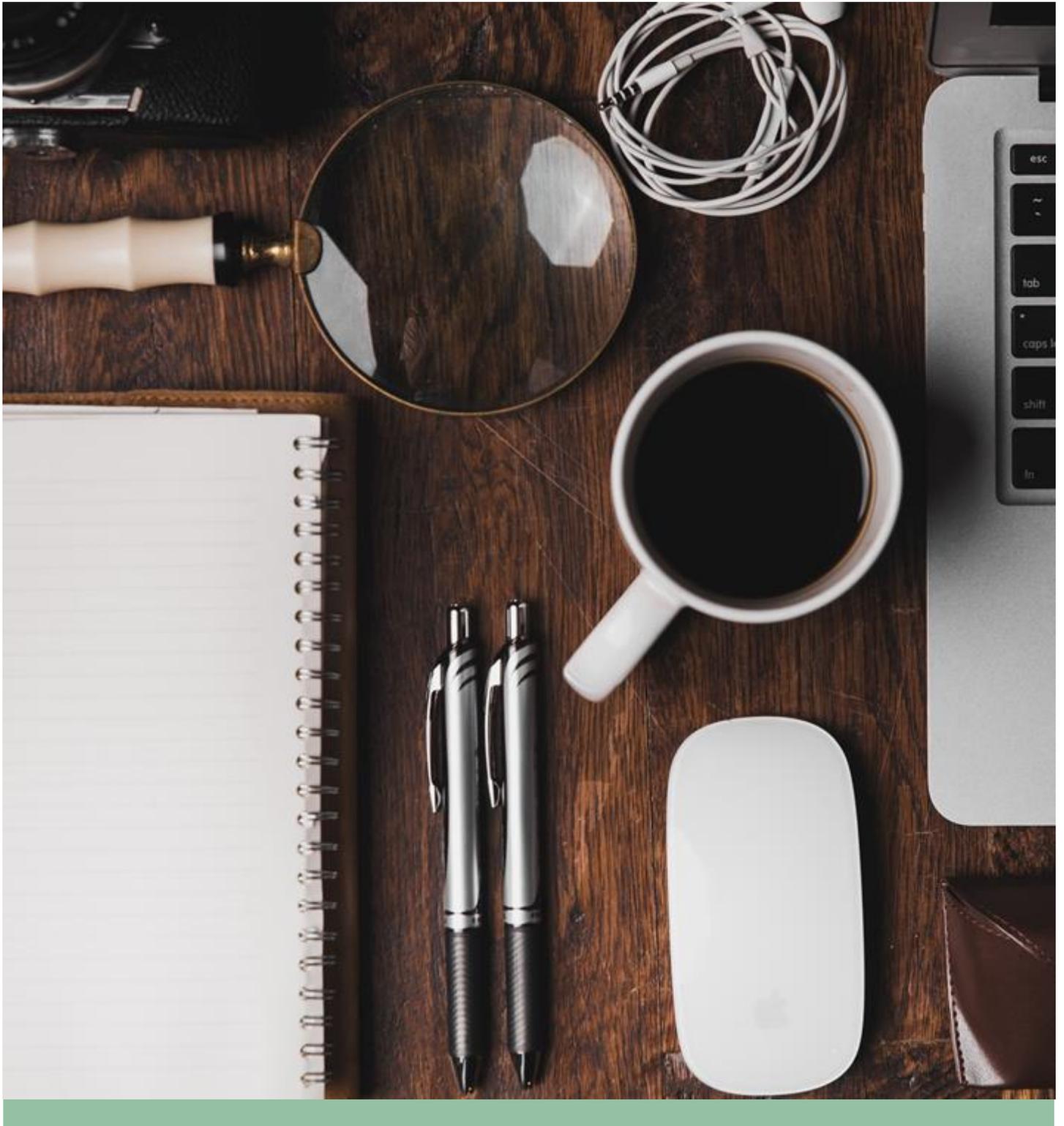


COUNTER FRAUD PROGRESS REPORT 2021/22

Date: 30 September 2021

Annex 2





BACKGROUND

- 1 Fraud is a significant risk to local government. Losses to councils are estimated to exceed £7.8 billion annually in the United Kingdom.¹
- 2 Veritau delivers a corporate fraud service to the Council which aims to prevent, detect and deter fraud and related criminality. The counter fraud team investigate allegations of fraud, plan and take part in counter fraud campaigns (e.g. the National Fraud Initiative), undertake fraud awareness activities with staff and the public, and maintain and update the Council's counter fraud framework and associated policies.
- 3 This report updates the Corporate Affairs and Audit Committee on counter fraud activity between 1 April 2021 and 31 August 2021.



FRAUD MANAGEMENT

- 4 The Council's counter fraud framework has been reviewed and updated for 2021/22. This includes an updated strategy action plan, anti-fraud, corruption, and bribery policy, and fraud risk assessment.
- 5 A key objective for the counter fraud team is to raise awareness of fraud with members of staff and the public, and to inform them of how to report fraud if they suspect it is happening. Fraud awareness training has been delivered to staff working in adult social care and the revenues and benefits department this year. Awareness campaigns for all staff on cybercrime, whistleblowing, anti-bribery and money laundering are planned for later in the year.
- 6 The Council's website and intranet have been updated to assist staff and the public to report fraud if they have a concern. Further work to make staff and public aware of what to report and how to do it forms part of this year's strategy action plan.
- 7 In May the Council's counter fraud transparency data was updated to include data on counter fraud work in 2020/21, meeting the Council's obligation under the Local Government Transparency Code 2015.
- 8 Veritau attends the North East Regional Investigation Officers Group (NERIOG) on behalf of the Council. Whilst meetings of the group have been disrupted during the pandemic Veritau staff have met with NERIOG members to develop regional contacts.

¹ Annual Fraud Indicator 2017, Crowe Clark Whitehill



MULTI-AGENCY WORK

- 9 Work on the 2020/21 National Fraud Initiative is ongoing. The counter fraud team provides support to council officers addressing data matches. Over 5,500 matches across a range of council areas were produced by the exercise. Instances of suspected fraud will be considered for investigation where appropriate.



INVESTIGATIVE WORK

- 10 In 2021/22, the team has received twelve referrals of suspected fraud. These cover potential adult social care fraud, internal fraud, and debt recovery. There are currently three cases under investigation.
- 11 As part of a review of Covid-19 grant payments to businesses an erroneous application was identified. The grant has now been withdrawn and the business has been asked for the £10k grant to be repaid. In addition a claim for Small Business Rate Relief by the business was cancelled resulting in a further invoice of nearly £6k in unpaid business rates.
- 12 During the pandemic, the counter fraud team has established practices to conduct interviews under caution using video conferencing. This allows interviews to be conducted remotely when it is in the best interest of the council and the member of the public (for example where they are unable to attend council offices).